REMARKS

Summary of Office Action

The amendment filed October 17, 2007 is objected to under 35 U.S.C. §132(a) because it introduces new matter into the disclosure.

Claims 51 and 66 are rejected under 35 U.S.C. §101 because the method claims are not attached to another statutory class.

Claims 36-50, 52, and 67 are rejected under 35 U.S.C. §112, first paragraph, as failing to comply with the written description requirement.

Claims 36-50, 54, and 70 are rejected under 35 U.S.C. §112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

Claims 36-37, 40-41, 43-45, 48-50, 51-52, 55-56, 58-60, 63-65, 66-67, 70-71, 73-75 and 78-80 stand rejected under 35 U.S.C. §103(a) as being unpatentable over Acosta et al. (U.S. Patent No. 6,643,625) in view of Business Wire (*Triangle Announces Introduction of DESC 2000*, May 27, 1999).

Claims 38-39, 47, 53-54, 62, 68-69 and 77 stand rejected under 35 U.S.C. §103(a) as being unpatentable over Acosta et al. in view of Business Wire, and further in view of Tealdi et al. (U.S. Pub. No. 2001/0029482).

Claims 42, 57, and 72 stands rejected under 35 U.S.C. §103(a) as being unpatentable over Acosta et al. in view of Business Wire, and further in view of Tealdi et al. and Official Notice.

Claims 46, 61, and 76 stands rejected under 35 U.S.C. §103(a) as being unpatentable over Acosta et al. in view of Business Wire, and further in view of Avery et al. (*Credit risk, credit scoring, and the performance of home mortgages*, July 1, 1996) and Official Notice.

Summary of Amendment

Claims 36-38, 40, 45, 49-51 and 66 have been amended. No new matter has been added. Claims 36-80 are pending for consideration.

Objections under 35 U.S.C. § 132(a)

The amendment filed October 17, 2007 is objected to under 35 U.S.C. §132(a) because it introduces new matter into the disclosure. Applicants respectfully disagree. However, in the interests of furthering prosecution, claim 36 has been amended to clarify various elements of the system. The revisions do not and are not intended to further limit the claim in any way.

In addition, the Office Action objects to the specification because the specification does not specifically teach a "sampling tool displaying a current loan sample size" as recited in claims 37, 52, and 67. Applicants respectfully submit that FIG. 11C and page 40, line 27 to page 41, line 9 of the originally filed specification describes a sampling tool that provides an interface detailing the loan count of a current sample selection and target loan count for the sample. Thus, the specification describes the features of claims 37, 52, and 67. Accordingly, Applicants request that the objections to the amendment under 35 U.S.C. §132(a) be withdrawn.

Claims Comply with 35 U.S.C. §101

Claims 51 and 66 are rejected under 35 U.S.C. §101 because the method claims are not attached to another statutory class. Claim 51 has been amended to include a "processor." Therefore, claim 51 as amended, is a patent eligible process under 35 U.S.C. §101 because the claimed method is tied to another statutory class (*i.e.*, a particular apparatus). *See in re Bilski*, 545 F.3d 943, 961 (Fed. Cir. 2008).

Claim 66 is not directed towards a process as asserted in the Office Action. Instead, the statutory class of invention of claim 66 is an article of manufacture (i.e., a computer program product). Therefore, the Office Action improperly applies the machine-or-transformation test for process claims in analyzing claim 66. *See id.* Furthermore, the Board of Patent Appeals and Interferences recently found that "Beauregard Claims," such as claim 66, have long been considered to be statutory as product claims. *See ex parte Bo Li*, No. 2008-1213 (B.P.A.I. November 6, 2008); *see also in re Beauregard*, 53 F.3d 1583, 1583 (Fed. Cir. 1995).

Accordingly, claims 51 and 66 are directed towards statutory subject matter, and Applicants request that the § 101 rejection be withdrawn.

Claims Comply with 35 U.S.C. §112

Claims 36-50, 52, and 67 are rejected under 35 U.S.C. §112, first paragraph, as failing to comply with the written description requirement. Applicants respectfully disagree. However, in the interests of furthering prosecution, claim 36 has been amended to clarify various elements of the system. The revisions do not and are not intended to further limit the claim in any way.

In addition, the Office Action rejects claims 37, 52, and 67 because the specification does not specifically teach a "sampling tool displaying a current loan sample size" as recited in claims 37, 52, and 67. Applicants respectfully submit that FIG. 11C and page 40, line 27 to page 41, line 9 of the originally filed specification describes a sampling tool that provides an interface detailing the loan count of a current sample selection and target loan count for the sample. Thus, the specification describes the features of claims 37, 52, and 67. Accordingly, Applicants request that the rejections of claims 36-50, 52, and 67 under 35 U.S.C. §112, first paragraph be withdrawn.

Claims 36-50, 54, and 70 are rejected under 35 U.S.C. §112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention. Applicants respectfully disagree. However, in the interests of furthering prosecution, claim 36 has been amended to clarify the phrase "the loans." The revisions do not and are not intended to further limit the claim in any way.

In addition, Applicants respectfully submit that the phrase "conditional-reject" in claims 39, 54, and 70 does not render the claim indefinite. One of ordinary skill in the art would understand the features of claims 39, 54, and 70, in light of the specification. For example, an underwriting category of "conditional reject" for a loan may include loans that are rejected if a condition occurs.

Accordingly, Applicants request that the rejections of claims 36-50, 54, and 70 under 35 U.S.C. §112, second paragraph be withdrawn.

Claims Comply With 35 U.S.C. §103

Claims 36-37, 40-41, 43-45, 48-50, 51-52, 55-56, 58-60, 63-65, 66-67, 70-71, 73-75 and 78-80 stand rejected under 35 U.S.C. §103(a) as being unpatentable over Acosta et al. in view of Business Wire. Claims 38-39, 47, 53-54, 62, 68-69 and 77 stand rejected under 35 U.S.C. §103(a) as being unpatentable over Acosta et al. in view of Business Wire, and further in view of Tealdi et al. Claims 42, 57, and 72 stands rejected under 35 U.S.C. §103(a) as being unpatentable over Acosta et al. in view of Business Wire, and further in view of Tealdi et al. and Official Notice. Claims 46, 61, and 76 stands rejected under 35 U.S.C. §103(a) as being unpatentable over Acosta et al. in view of Business Wire, and further in view of Avery et al. and Official Notice. Applicants respectfully traverse.

Claim 36, as amended, recites, in part, "a second tool to select an amount of the plurality of loans from each of the plurality of risk results up to a designated target loan sample size." Claims 51 and 66, as amended, recite, in part, "selecting . . . an amount of loans from each of the plurality of risk results up to the designated target loan sample size." The Office Action asserts that the combination of Acosta et al. and Business Wire teaches these features. (*See* paragraphs 14, 36, and 58 of the 11/26/2008 Office Action). However, the combination of Acosta et al. and Business Wire fails to teach at least a second tool to select an amount of the plurality of loans ***from each of the plurality of risk results up to a designated target loan sample size*** as recited in claim 36 or "selecting . . . an amount of loans ***from each of the plurality of risk results up to the designated target loan sample size***" as recited in claims 51 and 66.

In particular, the relied-upon portions of Acosta et al., namely column 1, lines 64 to column 3, line 16, column 3, lines 35-60, and column 9, lines 11-25, disclose a "[s]ampling methodology 10. . . stored on the server, and selected sampling parameters or criteria can include historical exception rates, confidence intervals, and precision. The number of records selected by the system is controlled in part by these sampling parameters or criteria." (*See* column 3, lines 35-60 of Acosta et al.) In other words, the loan records stored in the system of Acosta et al. are sampled based on various sampling parameters or criteria as shown in FIGS. 3-6 of Acosta et al.

However, the analysis, including sampling, performed in Acosta et al. does not include aggregating loans in a loan pool into a plurality of risk results as required in claims 36, 51, and 66. That is, Acosta et al. does not aggregate or categorize the loan records based on risk prior to performing the sampling. Furthermore, Acosta et al. fails to teach or suggest selecting an amount of loans from *each of the plurality of risk results up to the designated target loan sample size* as required in claims 36, 51, and 66. In other words, Acosta et al. does not include selecting an amount of loans from each category (i.e., plurality of risk results) up to the designated target loan sample size.

Business Wire fails to cure the deficiencies of Acosta et al. Business Wire discloses that "[l]oans may be randomly chosen from a loan portfolio or loans may be chosen based on user specific risk attributes to investigate potential areas of loss." (*See* page 1 of Business Wire.) In other words, risk attributes may be used to choose loans in a loan portfolio. However, the loans in Business Wire are not aggregated into a plurality of risk results (i.e., categories), but are

instead chosen based on risk results without the use of aggregation of the loans. Further, the loans in Business Wire are not chosen or selected from *each of the plurality of risk results up to the designated target loan sample size*. In other words, Business Wire does not include selecting loans from each category (i.e., plurality of risk results) up to the designated target loan sample size.

Accordingly, the combination of Acosta et al. and Business Wire fails to teach at least a "second tool to select an amount of the plurality of loans from each of the plurality of risk results up to a designated target loan sample size" as recited in claim 36 or "selecting . . . an amount of loans from each of the plurality of risk results up to the designated target loan sample size" as recited in claims 51 and 66.

Dependent claims 37-50, 52-65, and 67-80 depend from one of independent claims 36, 51, and 66 thereby incorporating all of the features of their base claims. Accordingly, Applicant submits that Acosta et al. and Business Wire as well as Tealdi et al. and Avery et al., whether taken individually or in combination, fail to render dependent claims 37-50, 52-65, and 67-80 obvious for at least the reasons discussed above.

In addition, dependent claims 42, 57, and 72 recite, in part, "wherein the numeric field values include . . . days delinquent." In the Office Action, the Office states that Acosta et al., Business Wire, and Tealdi et al. do not teach "wherein the numeric field values include . . . days delinquent" and takes Official Notice that it was old and well known in the art of high risk loans to analyze the data associated with number of days delinquent. However, Applicants respectfully

submit that loan parameters including one or more numeric field values associated with the loans, wherein the numeric field values include days delinquent is not well known in the art.

In particular, at the time of the claimed invention, it was not well known to provide a system or method where loans are aggregated based on one or more loan parameters including one or more numeric field values associated with the loans, wherein the numeric field values include days delinquent. Instead, an underwriting team traveled to locations of loan files to perform loan level inspection and assess whether the loan should be purchased by looking at risk of default, legality of the loan, loan origination practices, etc. (*See* page 4, lines 7-14 of the originally filed specification.) However, it was not well known for the underwriting teams or other prior art systems described above to aggregate loans based on one or more loan parameters including one or more numeric field values associated with the loans, wherein the numeric field values include days delinquent.

Further, it is not appropriate "to take official notice of facts without citing a prior art reference where the facts asserted to be well known are not capable of instant and unquestionable demonstration as being well-known." *See* M.P.E.P. § 2144.03. In this case, the Office's assertion that "wherein the numeric field values include . . . days delinquent" is well known is improper because this assertion is "not capable of instant and unquestionable demonstration" as being well known for the reasons discussed above. Thus, Applicants respectfully traverse the taking of Official Notice.

Dependent claims 46, 61, and 76 recite, in part, "wherein the high risk report categories include fraud results . . . ." In the Office Action, the Office states that Acosta et al., Business

Wire, and Avery et al. do not teach "wherein the high risk report categories include fraud results . . ." and takes Official Notice that "fraud results were well known in the art at the time of the invention to check fraud results when doing any type of high risk report in relation to any type of financial banking, including loans." However, Applicants respectfully submit claims 46, 61, and 76 recite "wherein the high risk report categories include fraud results . . ." rather than simply fraud results as asserted by the Examiner. Applicants respectfully submit that it not old and well known in the art to aggregate loans based on one or more high risk report categories "wherein the high risk report categories include fraud results . . ." as recited in claims 46, 61, and 76, and traverse the taking of Official Notice.

Further, it is not appropriate "to take official notice of facts without citing a prior art reference where the facts asserted to be well known are not capable of instant and unquestionable demonstration as being well-known." *See* M.P.E.P. § 2144.03. In this case, the Office's assertion that "wherein the high risk report categories include fraud results . . ." is well known is improper because this assertion is "not capable of instant and unquestionable demonstration" as being well known for the reasons discussed above. Thus, Applicants respectfully traverse the taking of Official Notice.

For at least the reasons discussed above, Applicants respectfully request that the § 103 rejections to claims 36-80 be withdrawn.

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CONCLUSION

In view of the foregoing, reconsideration and timely allowance of the pending claims are respectfully requested. Should the Examiner feel that there are any issues outstanding after consideration of the response, the Examiner is invited to contact the Applicants' undersigned representative to expedite prosecution.

If there are any other fees due in connection with the filing of this response, please charge the fees to our Deposit Account No. 50-0310. If a fee is required for an extension of time under 37 C.F.R. 1.136 not accounted for above, such an extension is requested and the fee should also be charged to our Deposit Account.

Respectfully submitted,

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